



# Dynamics of Sustainable Venture Scaling: Strategic Adaptation, Resource Constraints, and Long-Term Growth Outcomes

Dr. Milan Patel, Dr. Sonam Choephel, Dr. Reeti Pandya

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## Abstract

### Purpose

Sustainable entrepreneurship has emerged as a critical pathway for addressing pressing environmental and societal challenges through innovation-driven market mechanisms. Despite their transformative potential, many sustainability-oriented ventures encounter significant difficulties in achieving scalable growth beyond the nascent stages of development, thereby constraining their long-term socio-economic impact. While prior studies have predominantly concentrated on venture creation, innovation processes, and entrepreneurial intent, limited empirical attention has been devoted to understanding the multidimensional determinants of venture scaling. Accordingly, this study investigates the extent to which strategic orientation, innovation capability, financial resource accessibility, stakeholder collaboration, and institutional conditions influence scaling outcomes within sustainable enterprises.

### Methodology

This study adopted a quantitative cross-sectional research design to empirically evaluate the proposed relationships. Primary data were collected through structured survey instruments administered to founders, senior executives, and top-level managers representing 228 sustainable ventures operating across diverse industrial sectors. The measurement constructs were operationalized

using validated multi-item Likert scales derived from established literature. Statistical analysis was conducted using SPSS and AMOS to ensure methodological robustness. The analytical framework incorporated descriptive statistics, reliability and validity assessment, exploratory factor analysis (EFA), multiple regression analysis, mediation–moderation testing, and structural equation modeling (SEM) to examine the hypothesized structural relationships among variables.

## Findings

The empirical findings reveal that strategic orientation, innovation capability, financial accessibility, and stakeholder collaboration exert significant positive effects on sustainable venture scaling performance. In contrast, institutional constraints demonstrate a statistically significant negative influence, reducing growth potential and weakening the effectiveness of strategic initiatives. Among all examined variables, stakeholder collaboration emerged as the most influential determinant of scaling success, emphasizing the strategic importance of relational capital and ecosystem integration in sustainable entrepreneurship. Furthermore, the proposed integrated framework explains a substantial proportion of variance in venture growth outcomes, confirming the robustness and predictive capability of the conceptual model.



## Implications

This study contributes to the advancement of sustainable entrepreneurship literature by integrating the resource-based view, institutional theory, and stakeholder theory into a unified analytical framework for explaining venture scaling dynamics. The research extends existing theoretical understanding by highlighting the interconnected influence of strategic, relational, and institutional dimensions on sustainable enterprise growth. From a practical perspective, the findings provide actionable insights for entrepreneurs and venture leaders to strengthen strategic planning, innovation adoption, and collaborative partnerships in order to achieve scalable and resilient growth. Additionally, the study offers policy implications for governments and ecosystem developers to establish supportive entrepreneurial environments through regulatory simplification, enhanced financial accessibility, and institutional support mechanisms that facilitate sustainable business expansion.

## Keywords

Sustainable entrepreneurship; venture scaling dynamics; strategic orientation; innovation capability; stakeholder collaboration; institutional barriers; entrepreneurial ecosystems; sustainable venture growth; resource-based theory; structural equation modeling (SEM).

## 1. Introduction

### 1.1 Background

Climate change, biodiversity loss, wealth inequality, and unsustainable consumption habits are some of the environmental, social, and economic issues that the world economy is presently facing. Governments and multilateral institutions increasingly recognize that traditional regulatory and welfare approaches alone are insufficient to address these systemic problems. Consequently, entrepreneurship has gained prominence as a complementary mechanism capable of generating innovative, market-based solutions. Within this broader context, sustainable entrepreneurship has emerged as a distinctive form of entrepreneurial activity that simultaneously pursues economic viability and socio-environmental value creation. Unlike conventional firms that prioritize profit maximization, sustainable ventures integrate social responsibility and ecological stewardship into their core business models. These enterprises operate in sectors such as renewable energy, waste management, ethical supply chains, sustainable agriculture, circular economy solutions, and inclusive financial services. Through such interventions, they contribute not only to employment generation but also to environmental preservation and community development. Despite their potential, many sustainable ventures experience persistent difficulties when attempting to grow beyond early operational stages. A substantial proportion either stagnates at micro or small scale or ceases operations altogether. This limited scalability constrains the cumulative impact of sustainable entrepreneurship, reducing its effectiveness as a tool for systemic change.

### 1.2 Problem Statement

While the creation of sustainable startups has been extensively documented, research has inadequately addressed what happens after venture formation. Specifically, limited understanding exists regarding:

- How strategic decisions influence scaling outcomes,
- What internal and external constraints restrict growth,
- Why some sustainable ventures achieve rapid expansion while others stagnate.

Scaling sustainable ventures involves unique challenges distinct from those faced by conventional firms. Entrepreneurs must balance social missions with commercial pressures, manage complex stakeholder relationships, secure patient capital, and operate within regulatory frameworks that may not recognize hybrid business models. Consequently, traditional theories of firm growth may not fully explain the dynamics of scaling in sustainability-oriented enterprises.

### 1.3 Research Objectives

This study seeks to bridge this knowledge gap by pursuing the following objectives:

1. To identify key strategic choices adopted by sustainable ventures during scaling.
2. To examine structural, financial, and institutional constraints affecting growth.



3. To analyse relationships between strategic choices, constraints, and performance outcomes.
4. To develop an empirically validated framework explaining venture scaling dynamics.

#### 1.4 Significance of the Study

The study contributes at three levels:

**Theoretical:** Advances sustainable entrepreneurship literature by integrating strategic management and institutional perspectives into a unified scaling framework.

**Managerial:** Provides guidance to entrepreneurs regarding effective growth strategies and resource allocation.

**Policy:** Offers evidence-based recommendations for designing supportive ecosystems and regulatory reforms.

### 2. Literature Review

#### 2.1 Conceptual Foundations of Sustainable Entrepreneurship

Sustainable entrepreneurship lies at the intersection of entrepreneurial action and sustainable development. Traditional entrepreneurship theory focuses on opportunity recognition, innovation, and profit maximization (Shane & Venkataraman, 2000). In contrast, sustainable entrepreneurship expands this focus by integrating ecological preservation and social welfare into core business objectives (Schaltegger & Wagner, 2011). This change is in line with the larger paradigm of sustainable development outlined in the Brundtland Report, which places an emphasis on fairness between generations and responsible use of resources (WCED, 1987).

According to Dean and McMullen (2007), market inefficiencies include knowledge asymmetries, inefficient property rights, and externalities lead to environmental deterioration. As a result of these setbacks, entrepreneurs have a better chance of introducing novel solutions that absorb the costs to the environment. From this perspective, sustainable entrepreneurship represents a corrective mechanism within capitalist systems. Similarly, Cohen and Winn (2007) suggest that imperfections in markets generate incentives for entrepreneurs to develop cleaner technologies and resource-efficient processes.

Shepherd and Patzelt (2011) extend this understanding by emphasizing the moral and normative motivations underlying sustainable entrepreneurship. They argue that many entrepreneurs are driven by prosocial values and seek to preserve natural and community resources for future generations. This values-based orientation differentiates sustainable entrepreneurs from conventional profit-seeking actors and influences their strategic decision-making processes.

Schaltegger and Wagner (2011) further distinguish between incremental environmental improvements and systemic sustainability innovations. According to their framework, true sustainability entrepreneurship requires transformative business models that reshape consumption and production systems rather than merely reducing harm. Consequently, sustainable ventures often pursue hybrid value propositions that combine financial, social, and ecological objectives.

While these conceptualizations highlight the potential of sustainable entrepreneurship to generate societal benefits, they also reveal inherent tensions. Balancing multiple objectives may complicate governance, performance measurement, and resource allocation (Battilana & Lee, 2014). These complexities are likely to affect the capacity of ventures to grow and scale effectively, making the study of scaling dynamics particularly salient.

#### 2.2 Distinctive Characteristics of Sustainable Ventures

Although sustainable enterprises share certain characteristics with traditional startups—such as innovation orientation and liability of newness—they differ in several critical respects. First, their performance evaluation extends beyond financial returns to include environmental and social impact metrics (Elkington, 1997). This “triple bottom line” framework increases accountability but complicates decision-making because trade-offs between objectives are often unavoidable.

Second, sustainable ventures frequently adopt hybrid organizational forms that combine elements of nonprofit and for-profit structures (Battilana & Dorado, 2010). Hybrid organizations face legitimacy challenges because they do not conform neatly to established institutional categories. As a result, they may struggle to secure capital from traditional investors or grants from philanthropic sources.



Third, these ventures often operate in underserved or emerging markets where institutional infrastructure is weak (Mair & Marti, 2009). Limited access to finance, skilled labour, and regulatory clarity can hinder operational efficiency and growth. These distinctive features suggest that growth trajectories of sustainable ventures may diverge significantly from those predicted by conventional theories of firm expansion.

### 2.3 Firm Growth and Scaling: Theoretical Perspectives

The study of firm growth has long been central to strategic management research. Penrose's (1959) seminal theory posits that growth arises from the productive use of underutilized resources and managerial capabilities. According to Penrose, firms expand when they can deploy internal knowledge and competencies into new markets or activities. This resource-centred explanation laid the groundwork for the Resource-Based View (RBV).

The RBV argues that firms achieve sustained competitive advantage when they possess valuable, rare, inimitable, and non-substitutable (VRIN) resources (Barney, 1991). Empirical studies demonstrate that unique capabilities such as technological expertise, brand reputation, and organizational culture can facilitate expansion. In the context of sustainable entrepreneurship, analogous resources may include mission-driven human capital, stakeholder trust, and social legitimacy.

However, RBV primarily emphasizes internal assets and underplays the role of external environments. Sustainable ventures often depend heavily on institutional support and collaborative relationships, factors not fully captured by resource-based explanations. To address these limitations, scholars have proposed dynamic capabilities theory, which highlights a firm's ability to integrate and reconfigure resources in response to changing conditions (Teece, Pisano, & Shuen, 1997). Such adaptability may be especially critical for ventures navigating uncertain regulatory and market contexts.

Despite their usefulness, these frameworks assume profit maximization as the primary objective. Sustainable ventures, by contrast, must balance commercial growth with mission preservation. This fundamental difference suggests that traditional growth theories require modification when applied to sustainability-oriented enterprises.

### 2.4 Scaling in Sustainable and Social Ventures

Scaling refers to increasing the scope, reach, and effectiveness of a venture's operations. For social and sustainable enterprises, scaling is often equated with amplifying impact rather than merely expanding size (Bloom & Smith, 2010). Growth may manifest through increased beneficiaries served, geographic expansion, replication of successful models, or adoption of technology platforms.

Bloom and Chatterji (2009) identify multiple scaling strategies, including capacity building, partnerships, replication, and policy influence. Each pathway offers advantages and trade-offs. Organic growth preserves control but may be slow; replication enhances reach but risks quality inconsistency; partnerships provide resources but may reduce autonomy.

Empirical research indicates that collaborative approaches are particularly important for mission-driven ventures. Alliances with governments, corporations, and civil society organizations can provide legitimacy, distribution channels, and funding (Austin, Stevenson, & Wei-Skillern, 2006). Nevertheless, systematic quantitative evidence on which strategies produce the most effective scaling outcomes remains limited.

### 2.5 Strategic Choices and Venture Growth

Strategic management literature consistently emphasizes that growth outcomes depend on deliberate managerial decisions. For sustainable ventures, strategic choices determine how effectively social missions are integrated with commercial imperatives.

Market orientation has been identified as a critical factor. Ventures that align sustainability benefits with customer value propositions tend to achieve greater adoption (Porter & Kramer, 2011). Innovation strategy also plays a vital role. Clean technologies, circular economy practices, and digital solutions enable cost reductions and scalability (Boons & Lüdeke-Freund, 2013).

Hybrid revenue models represent another strategic adaptation. By combining earned income with grants or subsidies, ventures diversify risk and enhance resilience (Doherty, Haugh, & Lyon, 2014). Additionally, partnerships and networks provide access to complementary resources and knowledge, consistent with social capital theory (Stam, 2015).



Although prior research acknowledges the importance of strategy, few studies quantitatively evaluate its relationship with scaling outcomes. This gap necessitates empirical investigation.

## 2.6 Constraints to Scaling

Sustainable ventures face numerous barriers that may restrict growth.

Financial constraints are particularly significant. Many investors perceive sustainability-focused ventures as risky or less profitable, limiting access to capital (Bocken, 2015). Institutional barriers also create challenges. Regulatory systems often fail to accommodate hybrid models, increasing compliance costs (Mair & Marti, 2009).

Human capital shortages represent another constraint. Skilled managers capable of balancing business and impact objectives are scarce (Battilana & Lee, 2014). Market limitations, including low consumer awareness or willingness to pay, further hinder expansion.

Institutional theory suggests that such environmental pressures shape organizational behaviour and performance (North, 1990; Scott, 2014). Consequently, scaling outcomes cannot be understood solely through internal strategies; they must also consider contextual influences.

## 2.8 Research Gap

Despite substantial theoretical development, the literature remains fragmented. Studies often examine strategies, constraints, or ecosystems in isolation. Few integrate these elements into a comprehensive framework or employ quantitative methods to test causal relationships. Moreover, evidence from emerging markets remains scarce. Addressing these limitations requires empirical models that simultaneously analyse strategic choices, contextual constraints, and growth outcomes.

## 3. Theoretical Framework

### 3.1 Resource-Based View (RBV)

The Resource-Based View gives the basic explanation for firm-level performance variations. It claims that businesses obtain persistent competitive advantage when they possess important, uncommon, inimitable, and non-substitutable resources that competitors cannot simply copy (Barney, 1991). Penrose (1959) earlier underlined that business growth depended on how successfully managerial knowledge and organizational skills are redeployed into new possibilities. From this viewpoint, scaling is essentially a product of resource accumulation and capability growth. Ventures that create outstanding competences are better positioned to grow operations, innovate, and seize markets. In the context of sustainable entrepreneurship, the nature of strategic resources extends beyond conventional financial or technological assets. Sustainable ventures rely heavily on intangible and relational capabilities that differentiate them from traditional firms. These include mission-driven cultures that motivate employees, reputational legitimacy that enhances stakeholder trust, collaborative partnerships that provide access to complementary assets, and specialized knowledge regarding impact measurement and sustainable production processes. Such resources satisfy the VRIN criteria and may enable sustainable enterprises to compete effectively despite resource constraints typically associated with startups.

However, while RBV explains how internal capabilities create growth potential, it assumes that firms operate in neutral environments. It insufficiently accounts for the regulatory and societal pressures that often constrain sustainability-oriented ventures. Consequently, RBV alone cannot fully explain scaling outcomes and must be complemented by theories that incorporate contextual influences.

### 3.2 Institutional Theory

Institutional Theory shifts attention from internal capabilities to the broader environment within which organizations operate. It argues that firms are embedded in regulatory, normative, and cultural systems that shape behaviour and performance (Scott, 2014). Organizations seek legitimacy by conforming to institutional expectations, and their survival often depends as much on compliance as on efficiency. North (1990) further explains that “both formal rules, such as laws and policies, and informal norms, such as cultural values, structure economic activity.” For sustainable ventures, institutional influences are particularly pronounced. These enterprises frequently operate in emerging or highly regulated sectors where policy uncertainty, bureaucratic complexity, and weak support structures create barriers to expansion. Hybrid organizational forms may not fit neatly within existing legal categories, creating governance ambiguities that



complicate funding and operations. Moreover, societal awareness and cultural acceptance of sustainable consumption significantly influence market demand. In contexts where environmental responsibility is not widely prioritized, ventures may struggle to scale despite possessing strong internal capabilities.

Institutional conditions may therefore function either as constraints or enablers. Supportive policies such as subsidies, tax incentives, and green procurement programs facilitate growth, whereas regulatory burdens and institutional voids increase transaction costs and risk. Institutional Theory thus clarifies that scaling is not purely a strategic or managerial decision but is heavily conditioned by the external environment.

### 3.3 Stakeholder Theory

Stakeholder Theory introduces a relational dimension to understanding organizational growth. Freeman (1984) argues that firms create value not only for shareholders but for a broad set of stakeholders including “employees, customers, communities, suppliers, regulators, and investors.” Organizational success depends on effectively managing these relationships and aligning diverse interests. This perspective is particularly relevant for sustainable entrepreneurship, where ventures explicitly pursue social and environmental missions alongside financial sustainability. Sustainable enterprises operate within complex stakeholder networks that influence their legitimacy, resource access, and operational stability. Beneficiaries demand impact, investors expect returns, regulators require compliance, and communities seek accountability. Scaling often necessitates expanding these networks through partnerships and collaborations. For instance, alliances with non-governmental organizations may enhance credibility, while cooperation with government agencies can facilitate market access. Strong stakeholder relationships generate trust and social capital, which in turn lower transaction costs and enhance opportunities for growth.

Nevertheless, balancing competing stakeholder expectations may create tensions. Excessive emphasis on commercial performance may lead to mission drift, while overcommitment to social goals may undermine financial viability. Effective scaling therefore depends on strategic stakeholder alignment that preserves mission integrity while enabling economic sustainability.

### 3.4 Dynamic Capabilities Perspective

While RBV emphasizes resource possession and Institutional Theory highlights environmental structures, the Dynamic Capabilities perspective focuses on adaptability. Teece et al. (1997) argue that firms must continuously integrate, reconfigure, and renew resources to remain competitive in rapidly changing environments. Growth is therefore not only about having resources but also about using them flexibly. Sustainable ventures often face volatile policy regimes, technological disruptions, and evolving consumer preferences. Their ability to sense opportunities, seize resources, and transform organizational processes becomes crucial during scaling. For example, rapid shifts toward digitalization or renewable technologies require ventures to adapt business models quickly. Dynamic capabilities thus bridge the gap between internal strengths and external uncertainties, explaining how ventures maintain resilience while expanding operations.

## 4. Conceptual Model and Hypotheses

### 4.1 Conceptual Model Overview

Building upon the integrated theoretical framework, the present study proposes a conceptual model that explains venture scaling in sustainable entrepreneurship as a function of strategic capabilities, relational resources, and contextual conditions. Scaling is conceptualized not merely as an increase in organizational size, but as multidimensional growth reflected in financial performance, operational expansion, and social or environmental impact. Accordingly, venture growth outcomes are treated as dependent variables influenced by a set of internal and external determinants. Prior literature suggests that growth among entrepreneurial firms is rarely the result of a single factor; rather, it emerges from the interaction of strategic choices, resource endowments, and environmental support structures (Penrose, 1959; Barney, 1991). Sustainable ventures face additional complexity because they must simultaneously achieve economic viability and mission-related outcomes (Schaltegger & Wagner, 2011). As such, their scaling capacity depends on the alignment of internal competencies with institutional and stakeholder environments.

The conceptual model developed in this study integrates four core explanatory domains:



- Strategic orientation and innovation capabilities (internal drivers)
- Financial and relational resources (resource mobilization factors)
- Institutional and regulatory constraints (contextual moderators)
- Stakeholder partnerships (relational mediators)

These constructs collectively influence scaling outcomes. Internal capabilities provide the foundation for growth, stakeholder networks facilitate access to opportunities and resources, and institutional conditions either enable or restrict expansion. The model therefore proposes both direct and indirect relationships among variables, reflecting the multidimensional nature of scaling dynamics.

#### 4.2 Dependent Variable: Venture Scaling Outcomes

Venture scaling is conceptualized as a composite measure capturing both commercial and impact-related performance. Traditional growth studies often rely solely on financial indicators such as revenue or profit. However, such measures are insufficient for sustainable enterprises whose primary objectives include social and environmental value creation. Consequently, scaling must be evaluated through broader indicators that reflect hybrid outcomes (Bloom & Smith, 2010). In this study, scaling outcomes encompass increases in revenue, employment, market reach, and impact delivery. These measures collectively represent an enterprise's ability to expand operations while sustaining mission integrity. Ventures that demonstrate consistent growth across these dimensions are considered to have successfully scaled.

#### 4.3 Strategic Orientation and Scaling

Strategic orientation refers to the extent to which a venture adopts deliberate approaches to market positioning, innovation, and long-term competitiveness. Strategy literature consistently identifies strategic clarity and alignment as critical determinants of performance (Porter, 1985). Ventures with coherent growth strategies are better able to allocate resources efficiently, respond to market opportunities, and maintain competitive advantage. For sustainable enterprises, strategic orientation involves integrating sustainability objectives into core business models rather than treating them as peripheral activities. Such integration enables ventures to differentiate themselves and build customer loyalty. Market-oriented strategies that translate environmental or social benefits into tangible value propositions enhance demand and revenue potential (Porter & Kramer, 2011). Moreover, innovation-oriented strategies facilitate cost reductions and process improvements, enabling scalable operations.

From the Resource-Based View, strategic orientation represents an intangible capability that enhances the productive use of resources (Barney, 1991). Ventures with strong strategic planning and execution capacities are therefore expected to achieve superior scaling outcomes.

**H1:** Strategic orientation positively influences venture scaling outcomes.

#### 4.4 Innovation Capability and Scaling

Innovation is widely regarded as a primary engine of entrepreneurial growth. Schumpeterian theory emphasizes that new combinations of products, processes, and technologies disrupt markets and create opportunities for expansion. Sustainable ventures rely on innovation to develop cleaner production methods, renewable technologies, and circular business models that reduce costs and improve efficiency (Boons & Lüdeke-Freund, 2013).

Innovation enhances scalability in several ways. First, technological solutions often allow replication at low marginal cost, facilitating rapid expansion. Second, process innovations increase operational efficiency, enabling ventures to serve larger markets with limited resources. Third, innovative offerings differentiate ventures from competitors, strengthening market positioning.

Dynamic capabilities theory further suggests that innovative firms adapt more effectively to changing environments (Teece et al., 1997). Consequently, ventures that continuously innovate are more likely to sustain growth during scaling.

**H2:** Innovation capability positively influences venture scaling outcomes.

#### 4.5 Financial Access and Scaling



Access to financial capital represents one of the most critical determinants of growth. Scaling typically requires substantial investments in infrastructure, marketing, technology, and human resources. Without adequate funding, even strategically sound ventures may be unable to expand operations. Empirical research consistently identifies capital constraints as a major barrier to entrepreneurial growth (Bocken, 2015).

Sustainable enterprises often face heightened financial challenges due to perceived risks, longer payback periods, and hybrid revenue structures. Traditional investors may hesitate to fund such ventures, limiting their ability to scale. Conversely, access to impact investors, grants, or blended finance mechanisms can significantly enhance expansion capacity.

From an RBV perspective, financial capital constitutes a foundational resource enabling the acquisition of complementary assets. Therefore, ventures with easier access to finance are expected to experience higher growth rates.

**H3:** Financial access positively influences venture scaling outcomes.

#### 4.6 Stakeholder Partnerships as Mediators

Stakeholder Theory emphasizes that organizational success depends on the quality of relationships with key stakeholders (Freeman, 1984). For sustainable ventures, partnerships with governments, NGOs, suppliers, and communities provide legitimacy, knowledge, and market access. These relational assets often compensate for resource limitations and enable collaborative scaling (Austin et al., 2006).

Partnerships may mediate the relationship between strategy and growth by facilitating the implementation of strategic initiatives. For instance, a venture's innovative product may achieve wider reach through distribution partnerships. Similarly, collaborations with public institutions may provide access to subsidies or procurement contracts.

Thus, stakeholder networks function as conduits through which strategic capabilities translate into tangible outcomes.

**H4:** Stakeholder partnerships positively influence venture scaling outcomes.

**H5:** Stakeholder partnerships mediate the relationship between strategic orientation and scaling outcomes.

#### 4.7 Institutional Constraints as Moderators

Institutional Theory posits that regulatory and cultural environments shape organizational performance (Scott, 2014). Sustainable ventures frequently encounter institutional barriers such as bureaucratic procedures, policy uncertainty, and lack of legal recognition for hybrid structures (Mair & Marti, 2009). These constraints increase transaction costs and reduce growth opportunities.

Institutional factors may not directly determine performance but can moderate the effectiveness of internal strategies. For example, innovation may yield limited benefits in highly restrictive regulatory environments. Conversely, supportive policies such as subsidies or tax incentives can amplify growth effects.

Therefore, institutional conditions are expected to influence the strength of relationships between strategic capabilities and scaling outcomes.

**H6:** Institutional constraints negatively influence venture scaling outcomes.

**H7:** Institutional constraints negatively moderate the relationship between strategic capabilities and scaling outcomes.

#### 4.8 Integrated Hypothesized Model

The overall model proposes that venture scaling results from the interaction of internal capabilities, resource access, stakeholder relationships, and institutional environments. Strategic orientation, innovation capability, and financial access exert direct positive effects on growth. Stakeholder partnerships enhance these effects by facilitating resource mobilization, while institutional constraints weaken them. The combined influence of these factors determines whether sustainable ventures can expand successfully.

#### Summary of hypotheses:

- H1: Strategic orientation → positive effect on scaling
- H2: Innovation capability → positive effect on scaling



- H3: Financial access → positive effect on scaling
- H4: Stakeholder partnerships → positive effect on scaling
- H5: Partnerships mediate strategy → scaling
- H6: Institutional constraints → negative effect on scaling
- H7: Institutional constraints moderate relationships negatively

## 5. Research Methodology

### 5.1 Research Design

The study adopts a cross-sectional, explanatory research approach. A cross-sectional strategy includes gathering data from respondents at a single moment in time, which is useful for evaluating relationships between variables without necessitating longterm surveillance. Although longitudinal studies give insights into dynamic processes, cross-sectional surveys are extensively employed in entrepreneurship research due to practical restrictions and their usefulness in evaluating theoretical correlations (Hair et al., 2019).

The explanatory nature of the design focuses on identifying causal linkages rather than merely describing patterns. Specifically, the study seeks to explain how internal and external factors influence venture scaling. The design therefore aligns with hypothesis testing and theory validation rather than exploratory inquiry.

The methodological approach can be summarized as:

- Quantitative
- Cross-sectional
- Explanatory
- Survey-based

### 5.2 Population and Sampling

The target population comprises sustainable enterprises and mission-driven ventures that integrate environmental or social objectives into their core business operations. These include startups, small and medium enterprises (SMEs), and growth-stage ventures operating in sectors such as renewable energy, waste management, sustainable agriculture, social services, circular economy solutions, and impact-oriented technology.

Because no comprehensive registry of sustainable ventures typically exists, probability sampling is often impractical. Consequently, purposive sampling is adopted. Purposive sampling allows the researcher to select respondents who possess relevant knowledge and experience regarding the phenomenon under investigation. Founders, chief executive officers, managers, or senior decision-makers are chosen as respondents because they are most familiar with strategic decisions, financial conditions, and growth performance.

To ensure adequate statistical power, the study targets a sample size between 200 and 300 firms. Methodological guidelines suggest that structural equation modelling requires at least 5–10 observations per estimated parameter (Hair et al., 2019). A sample within this range enhances reliability and generalizability while accommodating potential non-response or incomplete data.

#### **Inclusion criteria include:**

- Enterprise operating for at least two years.
- Explicit sustainability or social mission.
- Active commercial operations.
- Willingness to provide growth-related information.

### 5.3 Data Sources



Primary data source is utilized to strengthen the robustness of the analysis. Primary data constitute the core dataset and are collected through structured questionnaires administered to selected respondents. These instruments capture perceptions regarding strategy, innovation, partnerships, institutional challenges, and growth indicators.

#### 5.4 Instrument Development

Data are collected using a structured questionnaire designed to measure all constructs in the conceptual model. Questionnaire development follows established scale construction procedures, including item adaptation from prior validated studies, expert review, and pilot testing. Using previously validated measures improves content validity and comparability with existing literature. All perceptual factors are scored using a five-point Likert scale ranging from “strongly disagree” (1) to “strongly agree” (5). Likert scales are generally recognized in management research because to their simplicity, dependability, and adaptability for statistical analysis. Each construct is operationalized through multiple items to capture different dimensions and enhance reliability. Multi-item scales reduce measurement error and enable factor analysis.

##### Constructs measured include:

- Strategic orientation
- Innovation capability
- Financial access
- Stakeholder partnerships
- Institutional constraints
- Scaling outcomes

The questionnaire also includes demographic variables such as firm age, sector, size, and ownership structure to facilitate control analyses.

#### 5.5 Operationalization of Variables

Operationalization entails converting abstract theoretical notions into quantifiable indicators. Clear operational definitions promote uniformity and validity.

##### Independent variables

- Strategic orientation: clarity of growth strategy, market focus, competitive positioning
- Innovation capability: product/process innovation, technology adoption, R&D intensity
- Financial access: ease of obtaining funds, availability of investors, funding adequacy.
- Stakeholder partnerships: strength of collaborations with NGOs, government, and private actors

##### Moderating variable

- Institutional constraints: regulatory burden, policy uncertainty, bureaucratic obstacles

##### Dependent variable

- Venture scaling outcomes: revenue growth, employment growth, market expansion, impact reach

Each variable is measured through 3–5 survey items to enable reliable scale formation.

#### 5.6 Data Collection Procedure

Data collection is conducted through both online and offline modes to maximize response rates. Questionnaires are distributed via email, professional networks, incubators, accelerators, and industry associations. In some cases, direct visits or telephonic follow-ups are used to encourage participation. Respondents are informed about the purpose of the study, confidentiality of responses, and voluntary participation. Ethical considerations are prioritized to ensure informed consent and data privacy. Anonymity reduces social desirability bias and encourages honest responses. The data collection period typically spans 6–8 weeks, allowing sufficient time for reminders and follow-ups.



## 5.7 Data Preparation and Screening

After data collection, replies are checked for completeness and correctness. Incomplete or inconsistent questionnaires are eliminated. Data cleaning techniques include screening for missing numbers, outliers, and entry mistakes. Missing data are handled using mean substitution or listwise deletion, depending on the percentage and pattern. Assumptions underlying multivariate analysis are examined, including normality, linearity, and homoscedasticity. Skewness and kurtosis statistics are analyzed to ensure that distributions fall within permissible boundaries. Multicollinearity among independent variables is examined using Variance Inflation Factor (VIF) values.

## 5.8 Reliability and Validity Assessment

Ensuring measurement reliability and validity is crucial for reliable outcomes. Reliability relates to the consistency of measurement and is tested using Cronbach's alpha and composite reliability. Values over 0.70 imply adequate internal consistency. Validity relates to whether the tool properly assesses desired constructs. It is evaluated through:

- "Content validity (expert review)
- Construct validity (factor analysis)
- Convergent validity (factor loadings, AVE)
- Discriminant validity (distinctiveness of constructs) Exploratory Factor Analysis (EFA)" is undertaken initially to uncover underlying factor structures, followed by Confirmatory Factor Analysis (CFA) to confirm measurement models.

## 5.9 Statistical Analysis Techniques

Data analysis is performed using SPSS and AMOS (or similar SEM software). The analysis proceeds in multiple stages to systematically test hypotheses.

### Descriptive analysis

- Frequency distributions
- Means and standard deviations.
- Profile of respondents

### Measurement analysis

- Reliability tests
- Factor analysis

### Inferential analysis

- Correlation analysis
- Multiple regression
- Structural equation modelling

Regression analysis examines direct effects of independent variables on scaling outcomes. SEM enables simultaneous estimation of multiple relationships, including mediation and moderation effects, providing a comprehensive assessment of the conceptual model.

Model fit is evaluated using indices such as:

- CFI
- TLI
- RMSEA
- Chi-square/df

## 5.10 Hypothesis Testing Strategy



Each hypothesis is tested using appropriate statistical procedures. Direct relationships are examined through regression or SEM path coefficients. Mediation effects are assessed using indirect path analysis or bootstrapping techniques. Moderation effects are tested through interaction terms. Statistical significance is evaluated at conventional levels ( $p < 0.05$ ). Effect sizes are interpreted to assess practical relevance.

## 6. Results and Findings

### 6.1 Introduction

This section presents the empirical findings derived from the analysis of survey data collected from sustainable enterprises. The objective is to test the hypotheses relating strategic orientation, innovation capability, financial access, stakeholder partnerships, and institutional constraints to venture scaling outcomes. Data were analysed using SPSS 27 and AMOS. The analysis proceeded sequentially through “descriptive statistics, reliability and validity testing, correlation analysis, regression modelling, and structural equation modelling.”

### 6.2 Response Rate and Sample Profile

A total of 320 surveys were delivered to sustainable companies across several industries. Of these, 247 answers were received. After filtering for incomplete and inconsistent replies, 228 questionnaires were kept for processing, producing an effective response rate of 71.25%. This response rate is regarded suitable for organizational research and offers sufficient statistical power.

**Table 1 Demographic Profile of Respondents (N = 228)**

Characteristic	Category	Frequency	Percentage
Firm Age	2–5 years	96	42.1%
	6–10 years	82	36.0%
	>10 years	50	21.9%
Sector	Renewable/Clean Tech	58	25.4%
	Social Services	63	27.6%
	Agriculture/Circular	54	23.7%
	Others	53	23.3%
Employees	<20	101	44.3%
	20–50	79	34.6%
	>50	48	21.1%

#### Interpretation:

The sample consists of early and growth-stage ventures, with most firms operating for fewer than ten years. The sectoral distribution indicates representation across diverse sustainability domains, supporting generalizability of findings. Most enterprises are small to medium-sized, which aligns with typical characteristics of sustainable startups.

### 6.3 Descriptive Statistics

**Table 2 Descriptive Statistics of Constructs**

Variable	Mean	SD
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Strategic Orientation	3.82	0.61
Innovation Capability	3.75	0.67
Financial Access	3.21	0.74
Stakeholder Partnerships	3.89	0.58
Institutional Constraints	3.44	0.71
Scaling Outcomes	3.68	0.63

### Interpretation:

Stakeholder partnerships show the highest mean score, indicating strong collaboration among surveyed ventures. Financial access records comparatively lower scores, reflecting persistent funding challenges. Scaling outcomes show moderate-to-high levels, suggesting that many ventures experience gradual but not rapid growth.

### 6.4 Reliability Analysis

Internal consistency of constructs was assessed using Cronbach's alpha.

**Table 3 Reliability Statistics**

Construct	Items	Cronbach's $\alpha$
Strategic Orientation	4	0.84
Innovation Capability	4	0.86
Financial Access	3	0.79
Stakeholder Partnerships	4	0.88
Institutional Constraints	4	0.81
Scaling Outcomes	4	0.87

### Interpretation:

All constructs have Cronbach's alpha values above the suggested level of 0.70 (Nunnally & Bernstein, 1994), indicating excellent reliability and internal consistency. No items were deleted.

### 6.5 Exploratory Factor Analysis

EFA utilizing principal component analysis with varimax rotation was undertaken to determine concept validity.

- KMO = 0.89
- Bartlett's Test  $p < 0.001$
- Total variance explained = 68.4%

**Table 4 Factor Loadings (Extract)**

Item	Loading
Strategic Orientation	0.71–0.84
Innovation Capability	0.73–0.88



Financial Access	0.65–0.81
Partnerships	0.76–0.89
Institutional Constraints	0.69–0.83
Scaling Outcomes	0.74–0.87

### Interpretation:

All items load strongly on their intended constructs ( $>0.60$ ), demonstrating convergent validity. Cross-loadings are minimal, supporting discriminant validity.

## 6.6 Correlation Analysis

**Table 5 Correlation Matrix**

Variables	SO	IC	FA	SP	INS	SC
SO	1					
IC	.58**	1				
FA	.41**	.46**	1			
SP	.63**	.55**	.49**	1		
INS	-.32**	-.28**	-.36**	-.30**	1	
SC	.67**	.61**	.54**	.70**	-.45**	1

$p < 0.01$

### Interpretation:

Scaling outcomes are strongly and positively correlated with stakeholder partnerships and strategic orientation. Institutional constraints display negative correlations, suggesting that regulatory challenges hinder growth. Correlations remain below 0.80, indicating absence of multicollinearity.

## 6.7 Multiple Regression Analysis

**Table 6 Regression Results (Dependent Variable: Scaling Outcomes)**

Predictor	$\beta$	t	p
Strategic Orientation	0.29	4.82	<0.001
Innovation Capability	0.24	4.11	<0.001
Financial Access	0.19	3.36	0.001
Stakeholder Partnerships	0.33	5.47	<0.001
Institutional Constraints	-0.21	-3.98	<0.001

$R^2 = 0.62$  |  $F = 72.5$  |  $p < 0.001$

### Interpretation:

The model explains 62% of the variance in scaling outcomes, indicating strong explanatory power. Stakeholder



partnerships exert the largest positive influence, followed by strategic orientation. Institutional constraints show a significant negative effect. All hypotheses H1–H4 and H6 are supported.

### 6.8 Mediation Analysis

Bootstrapping tests were conducted to examine the mediating effect of stakeholder partnerships.

- Indirect effect (SO → SP → SC) = 0.14
- 95% CI [0.07, 0.23]
- $p < 0.01$

#### Interpretation:

Stakeholder partnerships partially mediate the relationship between strategic orientation and scaling outcomes. This indicates that strategies translate into growth more effectively when supported by collaborative networks. H5 is supported.

### 6.9 Moderation Analysis

Interaction terms were introduced to test whether institutional constraints moderate strategy–growth relationships.

- Interaction coefficient =  $-0.17$
- $p = 0.02$

#### Interpretation:

The negative interaction effect suggests that the positive impact of strategic capabilities weakens in highly restrictive institutional environments. Thus, institutional constraints reduce scaling effectiveness. H7 is supported.

### 6.10 Structural Equation Modelling (SEM)

SEM was conducted to test the full conceptual model simultaneously.

**Table 7 Model Fit Indices**

Index	Value	Recommended
$\chi^2/df$	1.89	< 3
CFI	0.94	> 0.90
TLI	0.93	> 0.90
RMSEA	0.062	< 0.08

#### Interpretation:

All indices indicate good model fit, confirming that the proposed conceptual framework adequately represents the data.

#### Path Coefficients (Standardized)

- SO → SC = 0.28\*\*\*
- IC → SC = 0.23\*\*\*
- FA → SC = 0.18\*\*
- SP → SC = 0.35\*\*\*
- INS → SC =  $-0.22$ \*\*\*

(\*\* $p < 0.01$ ; \*\*\* $p < 0.001$ )

### 6.11 Summary of Hypothesis Testing



Hypothesis	Result
H1	Supported
H2	Supported
H3	Supported
H4	Supported
H5	Supported
H6	Supported
H7	Supported

## 7. Discussion

### 7.1 Overview

This section interprets the empirical findings of the study and situates them within the broader literature on sustainable entrepreneurship and venture growth. While the results section established statistical relationships among strategic orientation, innovation capability, financial access, stakeholder partnerships, institutional constraints, and scaling outcomes, the present discussion explains the theoretical and practical significance of those relationships. The objective is not merely to restate numerical findings but to examine why such relationships exist, how they align with prior scholarship, and what they reveal about the dynamics of scaling sustainable enterprises. Overall, the findings indicate that scaling in sustainable entrepreneurship is a multifaceted process shaped by internal strategic capabilities, relational networks, and institutional contexts. Ventures that combine clear strategies, innovative practices, financial resources, and collaborative partnerships demonstrate stronger growth trajectories, whereas regulatory and structural constraints impede expansion. These results reinforce the integrated theoretical perspective proposed earlier and confirm that scaling is neither purely resource-driven nor solely environmentally determined but instead emerges from the interaction between firm-level agency and contextual structures.

### 7.2 Interpretation of Scaling Outcomes

The descriptive statistics reveal that most sustainable ventures exhibit moderate rather than rapid growth. Although respondents reported increasing revenues, employment, and impact reach, growth rates were gradual. This pattern reflects the inherently cautious and resource-constrained nature of mission-driven enterprises. Unlike conventional startups that may prioritize aggressive expansion, sustainable ventures often emphasize stability, community trust, and mission preservation. Consequently, their growth is incremental and strategic rather than speculative. This observation supports the argument advanced by Bloom and Smith (2010) that scaling in social and sustainable enterprises differs qualitatively from commercial scaling. Rather than maximizing size at any cost, such ventures prioritize sustainable impact. The results therefore validate the conceptualization of scaling as multidimensional growth that integrates financial and social performance rather than focusing solely on revenue metrics.

### 7.3 Strategic Orientation and Venture Growth

The analysis demonstrates that strategic orientation exerts a significant positive effect on scaling outcomes. Ventures with clearer market positioning, long-term planning, and structured growth strategies exhibit superior performance. This finding aligns closely with the “Resource-Based View,” which emphasizes managerial capabilities and strategic clarity as intangible assets that enhance competitive advantage (Barney, 1991). From a practical perspective, strategic orientation improves resource allocation efficiency. Sustainable ventures frequently operate with limited budgets and personnel; thus, poorly coordinated strategies may lead to resource wastage. Clear strategic priorities enable firms to focus on high-impact activities, develop coherent value propositions, and avoid mission drift. Furthermore, a well-defined strategy enhances credibility among investors and partners, thereby facilitating additional support. The result is consistent with prior research



indicating that market-oriented and strategically aligned enterprises achieve higher growth rates (Porter & Kramer, 2011). It also suggests that sustainability objectives do not inherently constrain competitiveness. Rather, when embedded within core strategy, sustainability can serve as a differentiating advantage that drives expansion. This challenges the conventional assumption that social or environmental commitments hinder profitability.

#### **7.4 Innovation Capability as a Driver of Scaling**

Innovation capability was found to significantly influence venture scaling. Ventures that actively adopt innovative technologies, develop novel products, or refine operational processes display higher growth performance. This outcome is theoretically consistent with Schumpeterian views of entrepreneurship, where innovation constitutes the primary engine of economic expansion. It also aligns with the Dynamic Capabilities approach, which posits that enterprises must continually rearrange resources to respond to new situations (Tece et al., 1997). In the context of sustainable entrepreneurship, innovation often enables cost reduction and scalability. For example, digital platforms, renewable technologies, and circular production methods reduce marginal costs and allow replication across markets. Such efficiencies are crucial for ventures that must balance impact objectives with financial sustainability. Innovation also enhances legitimacy by demonstrating technological competence and professionalism, which may attract investors and collaborators. The empirical support for this relationship suggests that sustainable ventures should not rely solely on mission appeal. Instead, they must pursue continuous innovation to remain competitive. This finding aligns with Boons and Lüdeke-Freund's (2013) argument that sustainability transitions depend heavily on innovative business models capable of systemic change.

#### **7.5 Financial Access and Resource Mobilization**

Financial access emerged as another significant predictor of scaling outcomes. This result underscores the persistent importance of capital in enabling growth. Even the most strategically sound or innovative ventures cannot scale without sufficient funding to invest in infrastructure, marketing, and human resources. The finding supports the resource-dependence logic inherent in RBV, which identifies financial capital as a foundational enabler of capability development. The comparatively lower mean score for financial access suggests that funding remains a major constraint for sustainable enterprises. This observation is consistent with Bocken (2015), who notes that investors often perceive sustainability ventures as high-risk or less profitable. Consequently, many firms experience undercapitalization that restricts expansion efforts. Nevertheless, the positive relationship indicates that ventures capable of securing impact investment, grants, or blended finance mechanisms gain significant growth advantages. Financial resources allow experimentation, innovation, and market penetration that would otherwise be unattainable. Thus, the findings reinforce the argument that sustainable entrepreneurship requires supportive financial ecosystems to unlock its full potential.

#### **7.6 Stakeholder Partnerships as a Central Mechanism**

Among all predictors, stakeholder partnerships displayed the strongest positive effect on scaling outcomes. This result highlights the critical role of relational capital in sustainable entrepreneurship. Consistent with Stakeholder Theory (Freeman, 1984), ventures that maintain strong collaborations with governments, NGOs, communities, and private partners gain access to complementary resources, distribution networks, and legitimacy. The mediation analysis further demonstrates that partnerships partially transmit the effects of strategic orientation onto growth. In other words, strategy alone is insufficient; its effectiveness depends on relational implementation. A venture may design an innovative product, but without partners to distribute or endorse it, scaling remains limited. Partnerships thus function as conduits through which internal capabilities are transformed into tangible outcomes. This finding aligns with Austin et al. (2006), who emphasize collaboration as a defining characteristic of social entrepreneurship. It also reflects the collective nature of sustainability challenges, which often require multi-actor solutions. The prominence of partnerships in the results suggests that sustainable ventures operate less as isolated competitors and more as networked collaborators. Consequently, relational competence may be more important than purely competitive strategies.

#### **7.7 Institutional Constraints and Environmental Pressures**

Institutional constraints were found to negatively affect scaling outcomes and to weaken the impact of strategic capabilities. This result strongly supports Institutional Theory, which posits that regulatory and normative environments



shape organizational performance (Scott, 2014). Even ventures with strong internal capabilities may struggle in contexts characterized by bureaucratic complexity, unclear policies, or weak infrastructure. The moderating effect indicates that environmental barriers reduce the effectiveness of otherwise beneficial strategies. For instance, innovative technologies may face delays due to licensing procedures, while partnerships may be hindered by regulatory restrictions. Such obstacles increase transaction costs and uncertainty, discouraging expansion. These findings resonate with research on institutional voids in emerging markets (Mair & Marti, 2009). In the absence of supportive frameworks, entrepreneurs must devote additional resources to overcoming structural challenges, thereby diverting attention from growth activities. The results therefore emphasize that scaling is not purely a managerial function but also a systemic issue requiring policy intervention.

## 7.8 Integrated Interpretation of the Model

Taken together, the findings validate the integrated theoretical framework proposed earlier. Scaling outcomes are explained not by a single factor but by the interaction of internal capabilities, relational networks, and contextual conditions. Internal resources provide growth potential, stakeholder partnerships mobilize opportunities, and institutional environments either enable or restrict expansion. This multidimensional explanation extends existing scholarship by demonstrating that sustainable entrepreneurship is both capability-driven and context-dependent. The results bridge the gap between resource-based and institutional perspectives, illustrating that firm-level agency and environmental structures jointly determine outcomes. Such integration contributes to a more nuanced understanding of entrepreneurial growth.

## 8. Implications and Conclusion

### 8.1 Theoretical Implications

The study makes several important contributions to theory by clarifying the mechanisms through which sustainable ventures scale. First, the findings validate the argument that traditional growth theories alone are insufficient to explain the expansion of sustainability-oriented enterprises. While the Resource-Based View emphasizes internal capabilities, the empirical evidence demonstrates that growth is equally influenced by stakeholder networks and institutional environments. This confirms that sustainable entrepreneurship operates within a broader socio-economic system rather than solely within firm boundaries. Second, the integration of “Resource-Based View, Institutional Theory, Stakeholder Theory, and Dynamic Capabilities” offers a more comprehensive explanation of venture scaling than any single theoretical lens. The results indicate that internal capabilities such as strategy and innovation are necessary but not sufficient. Their effectiveness depends on relational and contextual conditions. This multidimensional explanation advances existing scholarship by reconciling competing perspectives that often treat firm-level and environmental determinants separately. The study therefore contributes to theory-building by demonstrating that sustainable entrepreneurship is simultaneously capability-driven, network-dependent, and institutionally embedded. Third, the strong mediating effect of stakeholder partnerships enriches Stakeholder Theory by providing quantitative evidence that relational capital directly influences scaling outcomes. While prior research often treats stakeholder engagement as normative or ethical, the findings highlight its instrumental value in facilitating growth. Partnerships serve not merely as moral commitments but as strategic assets that enable resource mobilization, legitimacy, and market access. This insight reframes collaboration as a core competitive capability rather than an auxiliary activity. Fourth, the moderating role of institutional constraints contributes to Institutional Theory by demonstrating that regulatory and structural factors not only influence performance directly but also alter the effectiveness of internal strategies. The weakening of strategy–growth relationships under restrictive conditions illustrates that environmental barriers can nullify firm-level advantages. This emphasizes the importance of contextual alignment between organizational capabilities and institutional support. Finally, the study contributes methodologically to the sustainable entrepreneurship literature by providing quantitative, large-sample evidence. Much prior research relies on qualitative case studies, which, while insightful, limit generalizability. By employing statistical testing and structural equation modelling, the present research strengthens empirical foundations and encourages more rigorous testing of theoretical propositions in the field.

### 8.2 Managerial Implications

The findings offer several practical implications for founders, managers, and decision-makers within sustainable ventures. Scaling is revealed to be a strategic and coordinated process rather than an organic outcome of mission commitment. Managers must therefore adopt deliberate growth-oriented practices while preserving sustainability objectives. Strategic orientation emerges as a critical driver of growth, suggesting that ventures should invest in formal planning processes.



Many sustainability-oriented enterprises operate informally due to resource constraints or social motivations, but the results indicate that structured strategies significantly improve performance. Clear goal setting, market positioning, and performance monitoring enhance operational efficiency and facilitate investor confidence. Innovation capability also plays a vital role. Managers should continuously pursue product, process, and business model innovation to enhance scalability. Sustainable markets evolve rapidly due to technological and policy changes; ventures that fail to innovate risk obsolescence. Investment in research and development, digital technologies, and efficiency improvements is therefore essential for long-term competitiveness. Financial access remains a persistent constraint. Entrepreneurs should diversify funding sources rather than relying on a single stream. Blended finance models that combine grants, impact investment, and commercial revenues may reduce risk and support expansion. Proactive engagement with impact investors and development finance institutions can open new opportunities for capital acquisition.

### 8.3 Policy Implications

The negative influence of institutional constraints highlights the significant role of public policy in shaping sustainable entrepreneurship outcomes. While entrepreneurs can develop internal capabilities, structural barriers may still impede growth. Consequently, supportive policy frameworks are essential for enabling sustainable ventures to achieve broader impact.

Governments can facilitate scaling by simplifying regulatory procedures and reducing compliance burdens, particularly for hybrid enterprises that combine commercial and social objectives. Clear legal recognition of social and sustainable business models can improve legitimacy and ease access to finance. Streamlined licensing processes and transparent guidelines reduce uncertainty and encourage expansion. Financial support mechanisms are equally important. Public funding programs, tax incentives, green subsidies, and impact investment funds can alleviate capital constraints. By reducing financial risk, such initiatives encourage entrepreneurs to invest in innovation and growth. Public procurement policies that prioritize sustainable products also create stable demand, enabling ventures to scale more confidently. Entrepreneurial ecosystems should be strengthened through incubators, accelerators, and mentorship programs tailored to sustainability-oriented enterprises. These platforms provide knowledge sharing, networking opportunities, and technical support that enhance venture capabilities. Policy interventions that foster ecosystem development can produce long-term systemic benefits.

### 8.4 Ecosystem and Investor Implications

Beyond entrepreneurs and governments, the findings carry implications for ecosystem actors and investors. Incubators, accelerators, and support organizations should prioritize relationship-building and capacity development rather than focusing solely on technical training. Programs that connect ventures with strategic partners may have greater impact than isolated advisory services. Impact investors and financial institutions should recognize that sustainable ventures often require patient capital and longer time horizons. Traditional return expectations may not align with mission-driven models. Flexible financing structures and blended capital approaches can better support scaling. Investors who actively engage with portfolio ventures by providing mentorship and networks may contribute more effectively to growth than those offering capital alone.

### 8.5 Limitations of the Study

Despite its merits, the study has several limitations that must be addressed. The cross-sectional design reduces the capacity to deduce causal links unambiguously. Growth is fundamentally dynamic, and longitudinal study would give greater insights into how scaling develops over time. The dependence on self-reported data may induce perceptual bias, since respondents might overestimate performance or capabilities. Additionally, purposive sampling, while feasible, may restrict complete generalizability to all sustainable initiatives. Geographic and sectoral variety, however existent, may not convey the complete range of institutional environments. Different regulatory regimes might generate diverse effects. Finally, the study focuses exclusively on quantitative indicators, potentially disregarding complex qualitative characteristics such as leadership style or corporate culture.

### 8.6 Directions for Future Research

Future research can expand upon this finding in various ways. Longitudinal designs tracking ventures throughout numerous years would enable greater knowledge of causative processes and growth trajectories. Comparative research



across nations or regions might evaluate how institutional variations effect scalability. Mixed-method techniques combining quantitative surveys with case studies may offer deeper contextual insights. Additional factors like as leadership traits, digital transformation, social impact measuring procedures, or ecosystem maturity might be integrated into future models. Researchers may also analyze non-linear growth trends or examine mission drift during fast expansion. Such research would further enhance understanding of sustainable entrepreneurship dynamics.

## 8.7 Conclusion

This study aimed to investigate the key determinants of venture scaling within the domain of sustainable entrepreneurship by examining the influence of strategic orientation, resource accessibility, stakeholder engagement, and institutional conditions on organizational growth outcomes. The findings demonstrate that venture scaling is not merely driven by entrepreneurial ambition or market demand; rather, it represents a complex and multidimensional process shaped by the interaction between internal organizational capabilities and external environmental forces. Strategic clarity, innovation capability, financial accessibility, and collaborative stakeholder networks were found to significantly enhance venture growth and scalability, whereas institutional barriers and regulatory constraints negatively affected expansion potential. Among the examined factors, stakeholder relationships emerged as the most influential contributor, emphasizing the critical importance of relational capital and ecosystem collaboration in sustainability-driven enterprises. Through the integration of resource-based, institutional, and stakeholder perspectives, the study provides robust empirical evidence and advances the theoretical understanding of sustainable venture scaling and its broader socio-economic implications.

Sustainable entrepreneurship possesses substantial potential to address contemporary environmental, economic, and societal challenges through innovation-oriented and impact-driven business models. However, realizing this potential requires coordinated efforts among entrepreneurs, investors, policymakers, and institutional stakeholders. Sustainable ventures must strengthen strategic capabilities, innovation capacity, and collaborative partnerships to achieve resilient and scalable growth, while governments and supporting institutions should establish enabling ecosystems characterized by accessible financing mechanisms, supportive regulatory frameworks, and reduced institutional barriers. The alignment of these strategic and institutional dimensions can significantly enhance the ability of sustainable enterprises to scale effectively and contribute toward inclusive economic development, long-term sustainability, and responsible societal transformation

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